

Exhibit 34

MENU

[DOJ Home \(https://www.doj.state.or.us/\)](https://www.doj.state.or.us/) / [PHARMACEUTICAL COMPANY PAYS \\$42.5 MILLION TO RESOLVE ALLEGATIONS OF FRAUD \(/media\)](#)

PHARMACEUTICAL COMPANY PAYS \$42.5 MILLION TO RESOLVE ALLEGATIONS OF FRAUD

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Oregon will receive \$145,000 under the national settlement with Alpharma, Inc.

Oregon Attorney General John Kroger today announced a national settlement with a pharmaceutical company accused of making false prescription drug claims to Medicaid.

"It is not acceptable for pharmaceutical companies to defraud the Medicaid program," said Attorney General Kroger.

The agreement with Alpharma, Inc. settles allegations that the company took a variety of steps to illegally induce health care providers to prescribe Kadian to Medicaid patients. Kadian is a sustained release morphine sulfate product used to treat moderate to severe pain.

The agreement with Alpharma requires the company to pay participating states and the United States \$42.5 million plus interest. Medicaid programs nationwide will receive approximately \$19.2 million of the total settlement; the remaining will go to other federal health care programs. Oregon will receive \$145,244.79. Medicaid is funded jointly by federal and state governments.

The investigation was led by South Carolina, Arkansas, Vermont, Florida and Texas. The investigation looked into allegations that during the period of January 1, 2000, through December 29, 2008, Alpharma offered and paid for training programs, consulting forums, research grants, speakers' bureaus and made or disseminated false statements about the safety and efficacy of Kadian to induce health care providers to prescribe Kadian.

Oregon participated in the settlement through the Oregon Department of Justice Medicaid Fraud Unit. In addition to recovering money for the Oregon Health Plan, the Medicaid Fraud Unit investigates and prosecutes billing fraud, physical and financial abuse in Medicaid-funded facilities and fraud committed by Medicaid program employees.

Oregon is a national leader in the fight against health care fraud. In 2009, the Department of Justice secured settlements that brought more than \$20 million in health care fraud cases to reimburse the Oregon Health Plan, enhance state consumer protection efforts and help balance the state budget.

Attorney General John Kroger leads the Oregon Department of Justice. The Department's mission is to fight crime and fraud, protect the environment, improve child welfare, promote a positive business climate, and defend the rights of all Oregonians.

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